Government of
Saskatchewan

2006 – 2007
Financial Statements

Cumberland
Regional College

Letter of Transmittal

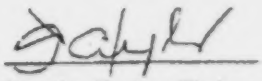
September 27, 2007

Honourable Warren McCall
Minister of Advanced Education and Employment
Room 322, Legislative Building
2405 Legislative Drive
REGINA SK S4S 0B3

Dear Minister McCall:

On behalf of the board of directors of Cumberland Regional College, and in accordance with the provisions of *The Regional Colleges Act*, I am pleased to submit the audited financial statements of Cumberland Regional College for the fiscal year ending June 30, 2007.

Respectfully submitted,



Maurice Taylor, Chair
Cumberland Regional College

Neumann & Neumann

Chartered Accountants

Board of Directors
Cumberland Regional College
Nipawin, Saskatchewan

AUDITORS' REPORT

We have audited the statement of financial position of Cumberland Regional College as at June 30, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. The College's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

September 18, 2007
Nipawin, Saskatchewan

Chartered Accountants

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2007
Statement 1

	Operating Fund	Capital Fund	2007 Total	2006 Total
ASSETS				
Current Assets				
Cash	$ 1,537,901	$ 585,000	$ 2,122,901	$ 1,992,579
Accounts receivable (note 3)	201,492	-	201,492	239,671
Prepaid expenses	21,842	-	21,842	17,393
	1,761,234	585,000	2,346,234	2,249,643
Capital Assets (note 4)	-	752,799	752,799	718,923
	$ 1,761,234	$ 1,337,799	$ 3,099,033	$ 2,968,566
LIABILITIES				
Current Liabilities				
Accrued salaries and benefits	$ 123,745	$ -	$ 123,745	$ 100,630
Accounts payable and accrued liabilities (note 6)	236,609	-	236,609	91,928
Unearned revenue (note 7)	584,336	-	584,336	485,693
	944,690	-	944,690	678,251
NET ASSETS				
Invested in capital assets	-	752,799	752,799	718,923
Internally restricted (note 8)	659,541	585,000	1,244,541	1,442,659
Unrestricted	157,004	-	157,004	128,733
	816,545	1,337,799	2,154,343	2,290,315
	$ 1,761,234	$ 1,337,799	$ 3,099,033	$ 2,968,566

APPROVED ON BEHALF OF THE BOARD

Director

Director

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2007
Statement 2

	Operating Fund			Capital Fund		Total	
	2007 Budget (Note 10)	2007	2006	2007	2006	2007	2006
Revenues (Schedule 1)							
Provincial Government	$ 3,453,232	$ 4,221,973	$ 3,336,734	$ 25,000	$ -	$ 4,246,973	$ 3,336,734
Federal Government	42,696	19,470	51,507	-	-	19,470	51,507
Other Revenue	700,675	1,094,488	989,400	-	-	1,094,488	989,400
	4,196,603	5,335,931	4,377,641	25,000	-	5,360,931	4,377,641
Expenses (Schedule 2)							
Agency contracts	503,397	832,844	592,559	-	-	832,844	592,559
Amortization	-	-	-	132,353	128,299	132,353	128,299
Equipment	119,679	236,504	134,086	-	-	236,504	134,086
Facilities	227,222	248,311	176,416	-	-	248,311	176,416
Information technology	60,760	44,308	50,629	-	-	44,308	50,629
Operating (Schedule 3)	480,418	687,357	524,346	-	-	687,357	524,346
Personnel services	3,061,913	3,315,225	2,826,995	-	-	3,315,225	2,826,995
	4,453,389	5,364,550	4,305,031	132,353	128,299	5,496,903	4,433,330
Excess (deficiency) of revenues over expenses	$ (256,786)	$ (28,619)	$ 72,610	$ (107,353)	$ (128,299)	$ (135,972)	$ (55,689)

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007
Statement 3

	2007				2006
	Invested in capital assets	Restricted	Unrestricted	Total	Total
Net assets, beginning of year	$ 718,923	$ 1,442,659	$ 128,733	$ 2,290,315	$ 2,346,004
Deficiency of revenues over expenses	(107,353)	-	(28,619)	(135,972)	(55,689)
Interfund transfers:					
Investment in capital assets	141,229	-	(141,229)	-	-
Internally imposed restrictions	-	(198,118)	198,118	-	-
Net assets, end of year	$ 752,799	$ 1,244,541	$ 157,004	$ 2,154,343	$ 2,290,315

	Balance, beginning of the year	To Restricted	From Restricted	Balance, end of the year
Internally Restricted (Note 8)				
Operations	$ -	$ 75,305	$ -	$ 75,305
Professional development	30,000	-	(15,000)	15,000
Personal professional development	-	19,340	-	19,340
Curriculum development	-	6,993	-	6,993
ABE resources	-	6,197	-	6,197
Programs	839,759	-	(439,815)	399,944
Innovation fund	-	136,762	-	136,762
Capital	276,900	76,459	(128,359)	225,000
Nipawin facility	150,000	150,000	-	300,000
Tisdale facility	146,000	54,775	(140,775)	60,000
	$ 1,442,659	$ 525,831	$ (723,949)	$ 1,244,541

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007
Statement 4

	2007	2006
Cash flows from (used in) operating activities		
Deficiency of revenues over expenses	$ (135,972)	$ (55,689)
Amortization of capital assets	132,353	128,299
Net change in non-cash working capital (note 9)	300,169	(207,875)
	296,551	(135,265)
Cash flows from (used in) investing activities		
Purchase of capital assets	(166,229)	(90,877)
Proceeds on disposal of investments	-	100,000
	(166,229)	9,123
Net increase (decrease) in cash	130,322	(126,142)
Cash, beginning of year	1,992,579	2,118,721
Cash, end of year	$ 2,122,901	$ 1,992,579

See accompanying notes

1. PURPOSE AND AUTHORITY

The Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocation training to meet the needs of the regional constituents and industry. The Cumberland Regional College is exempt from the payment of income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives.

(i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College after taking into consideration any associated long term debt. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

(b) Revenue recognition

The College follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets costing under $500 are expensed in the current year. Capital assets are amortized on a straight-line basis over their estimated useful lives as follows, and amortization is reported as an expense in the capital fund.

Buildings	5%
Leasehold improvements	5%
Furniture and equipment	10% to 33%
Vehicles	20%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Use of estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

(e) Cash

Cash is represented by cash on hand and balances with banks.

3. ACCOUNTS RECEIVABLE

	2007	2006
Saskatchewan Advanced Education and Employment	$ 92,006	$ 95,737
Federal Government	14,588	8,030
Other	94,898	135,904
	$ 201,492	$ 239,671

4. CAPITAL ASSETS

	2007			2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 1,114,387	$ 541,526	$ 572,861	$ 487,805
Leasehold improvements	258,242	135,654	122,588	135,500
Furniture and equipment	639,506	582,156	57,349	95,618
Vehicles	23,486	23,486	-	-
	$ 2,035,621	$ 1,282,822	$ 752,799	$ 718,923

5. LEASE OBLIGATIONS

The College is committed under an annual term lease for office space at the following minimum amount for the next year (exclusive of proportionate increases and additional occupancy costs – the lease is negotiated annually):

2008	$ 23,897

The College is committed under an operating lease for office equipment as follows:

2008	$ 34,227
2009	12,835

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2007	2006
Provincial Government	$ 13,388	$ 4,763
Federal Government	99,856	95
Other	123,366	87,070
	$ 236,609	$ 91,928

7. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2007	2006
Saskatchewan Advanced Education and Employment	$ 584,336	$ 485,693

8. RESTRICTIONS ON NET ASSETS

During the year the Board of Directors reallocated $525,831 within the internally restricted fund to be used for various purposes as indicated on Statement 3. The Board of Directors also approved the transfer of $198,118 from internally restricted net assets to unrestricted net assets.

9. NET CHANGE IN NON-CASH WORKING CAPITAL

	2007	2006
Accounts receivable	$ 38,179	$ 51,750
Prepaid expenses	(4,449)	(4,645)
Accounts payable and accrued liabilities and accrued salaries and benefits	167,796	(80,499)
Unearned revenue	98,643	(174,481)
	$ 300,169	$ (207,875)

10. BUDGET AMOUNTS

The budget amounts on these financial statements were prepared by Regional College Management and approved by the Board on May 23, 2006. The Minister approved the budget on July 25, 2006.

11. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

Related party expenses during the year were as follows:

	2007	2006
SaskEnergy	$ 645	$ -
SaskPower	265	-
SaskTel and SaskTel Mobility	50,538	50,276
Saskatchewan Institute of Applied [illegible]ence and Technology	162,697	346,666
Saskatchewan Property Management	78,255	73,051
University of Saskatchewan	63,212	40,356
University of Regina	5,092	50,261
	$ 359,794	$ 560,610

Other transactions with related parties are disclosed elsewhere in these financial statements and related notes.

12. FINANCIAL INSTRUMENTS

The College's significant financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and accrued salaries and benefits.

(a) The carrying amount of cash, accounts receivable, accounts payable and accrued liabilities, and accrued salaries and benefits approximates fair market value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

13. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in the Teachers' Superannuation Plan (TSP) or the Saskatchewan Teachers Retirement Plan (STRP) which are administered by the Teachers' Superannuation Commission and the Saskatchewan Teachers' Federation respectively. The Board has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the required employer contributions of STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is a multi-employer defined benefit plan.

The last actuarial valuaton of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $79,272 (2006 - $62,358).

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2007
Schedule 1

	2007										
	General	Skills Training		Basic Education		University	Services			2007	2006
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	Total	Budget (Note 10)	Total
Provincial Government											
Saskatchewan Advanced Education and Employment											
Operating grant	$ 1,619,595	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,619,595	$ 1,497,061	$ 1,436,367
Program payments	-	1,209,761	1,542	613,103	94,571	83,615	123,039	-	2,125,651	1,820,479	1,640,791
Other	-	-	-	-	-	-	15,590	-	15,590	135,692	23,979
	1,619,595	1,209,761	1,542	613,103	94,571	83,615	138,649	-	3,760,835	3,453,232	3,101,137
Other Provincial	41,746	117,317	15,717	16,467	158,060	719	10,747	100,365	461,138	-	235,597
	1,661,341	1,327,077	17,259	629,570	252,631	84,334	149,395	100,365	4,221,973	3,453,232	3,336,734
Federal Government											
Admin recovery	-	-	-	-	-	-	-	-	-	-	-
Sent purchases	-	-	-	-	-	-	-	-	-	-	-
Projects	-	-	-	-	-	-	-	-	-	42,696	38,282
Other	130	-	-	-	19,340	-	-	-	19,470	-	13,225
	130	-	-	-	19,340	-	-	-	19,470	42,696	51,507
Other Revenue											
Admin recovery	4,003	-	-	-	-	-	-	-	4,003	-	4,573
Contracts	700	15,016	2,841	294,894	15,869	6,308	2,153	220	338,000	188,392	300,196
Interest	109,751	-	-	-	-	-	-	-	109,751	65,000	90,195
Rents	690	-	-	-	-	-	-	-	690	-	280
Resale items	4,185	54,422	11,833	-	961	20,323	-	-	91,724	42,000	105,482
Tuition	-	377,619	152,883	-	1,488	3,488	6,606	-	542,084	391,493	466,800
Other	646	3,935	-	-	-	807	2,850	-	8,238	13,790	21,874
	119,974	450,992	167,557	294,894	18,319	30,926	11,608	220	1,094,488	700,675	989,400
Total revenues	1,781,444	1,778,069	184,816	924,464	290,290	115,260	161,003	100,585	5,335,931	4,196,603	4,377,641
Total operating fund expenses (Schedule 2)	1,932,176	1,460,321	134,934	869,500	249,922	217,278	334,413	166,006	5,364,550	4,453,389	4,305,031
Excess (deficiency) of revenues over expenses	$ (150,732)	$ 317,749	$ 49,882	$ 54,964	$ 40,367	$ (102,019)	$ (173,409)	$ (65,421)	$ (28,619)	$ (256,786)	$ 72,610

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2007
Schedule 2

	2007										
	General	Skills Training		Basic Education		University	Services			2007 Budget (Note 10)	2006 Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	Total		
Agency contracts	$ -	$ 687,190	$ 45,774	$ 1,573	$ 44,730	$ 48,272	$ 5,305	$ -	$ 832,844	$ 503,397	$ 592,559
Equipment	164,676	18,634	8,447	12,435	2,880	15,633	9,635	4,164	236,504	119,679	134,086
Facilities	149,533	56,331	891	24,089	15,826	1,640	-	-	248,311	227,222	176,416
Information technology	34,782	4,344	2,100	587	-	-	621	1,875	44,308	60,760	50,629
Operating (Schedule 3)	316,709	132,906	42,982	105,235	17,352	45,530	18,270	8,374	687,357	480,418	524,346
Personnel services	1,266,476	560,916	34,740	725,581	169,134	106,203	300,583	151,592	3,315,225	3,061,913	2,826,995
	$ 1,932,176	$ 1,460,321	$ 134,934	$ 869,500	$ 249,922	$ 217,278	$ 334,413	$ 166,006	$ 5,364,550	$ 4,453,389	$ 4,305,031
			$ 1,595,254		$ 1,119,422			$ 500,419			

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES

FOR THE YEAR ENDED JUNE 30, 2007

Schedule 3

	2007 Budget (Note 10)	2007 Total	2006 Total
Advertising	$ 70,252	$ 83,986	$ 67,017
Association fees and dues	15,260	12,706	11,907
Financial services	1,225	1,901	1,245
In-service	32,215	13,733	11,277
Insurance	8,445	9,256	9,934
Materials and supplies	92,522	162,802	100,511
Postage, freight and courier	15,456	17,887	18,205
Printing and copying	25,350	28,248	16,139
Professional services	25,100	71,311	28,298
Resale items	40,000	107,346	103,563
Subcriptions	2,300	5,742	1,790
Telephone and fax	50,995	50,538	47,243
Travel	73,648	104,629	84,897
Other	27,650	17,273	22,320
	$ 480,418	$ 687,357	$ 524,346

See accompanying notes

CUMBERLAND REGIONAL COLLEGE
OVER $50,000 PERSONAL SERVICES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007
UNAUDITED

Brady, Doneida	$	55,476
Joinson, Randy	$	57,287
Jones, Kathleen	$	54,462
Kerslake, Linda	$	63,824
Kezema, Kirk	$	61,300
Lam Ma, Corinne	$	59,940
McPhee, Lynda	$	67,719
Mellon, Brenda	$	60,516
Mushinski, Valerie	$	108,978
Schumilas, Dawn	$	53,062
Serack, Leslee	$	76,248
Solsten, Joy	$	64,340
Staples, Andrea	$	51,517
Stephenson, Sandra	$	61,565
Teale, Cory	$	59,940
Turgeon, Debbie	$	53,008
Valleau, Elaine	$	55,588
Webster, Trudi	$	59,940
Zazelenchuk, Debbie	$	62,470
TOTAL	**$**	**1,187,179**

CUMBERLAND REGIONAL COLLEGE
OVER $50,000 PAYEE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007
UNAUDITED

Blue Cross	$132,343
Dell Canada Inc	$93,025
Municipal Employees Pension Plan	$156,227
Minister of Finance	$81,519
Northeast School Division	$287,465
Receiver General	$795,691
S.I.A.S.T. Woodland Campus	$125,211
Sasatchewan Government Employees Union	$71,914
Saskatchewan Trucking Association	$482,700
Sask Tel	$50,538
University of Saskatchewan	$93,212
Total	$2,339,844